

Congressman Ron Paul U.S. House of Representatives October 8, 2002

The Shrimp Importation Financing Fairness Act

Mr. PAUL. Mr. Speaker, I rise to introduce the Shrimp Importation Financing Fairness Act. This bill aids America's struggling domestic shrimping industry by placing a moratorium on restrictive regulations affecting the shrimping industry. This bill also prevents tax dollars from going to the domestic shrimping industry's major foreign competitors.

The United States domestic shrimping industry is a vital social and economic force in many coastal communities across the United States, including several in my congressional district. A thriving shrimping industry benefits not only those who own and operate shrimp boats, but also food processors, hotels and restaurants, grocery stores, and all those who work in and service these industries. Shrimping also serves as a key source of safe domestic foods at a time when the nation is engaged in hostilities abroad.

Given the importance of a strong shrimping industry to so many Americans, it seems strange that the federal government continues to burden shrimpers with excessive regulations. For example, the federal government has imposed costly regulations on this industry dealing with usage of items such as by catch reduction devices and turtle excluder devices (TEDS). The mandatory use of these devices results in a significant reduction in the amount of shrimp caught by domestic shrimpers, thus damaging their competitive position and market share.

Many members of Congress have let the National Marine Fisheries Service, which is the lead federal agency with responsibility to regulate the domestic shrimp industry, know of their displeasure with the unreasonable regulatory burden imposed upon the industry. In response, the agency recently held briefings with House and Senate staffers as well as industry representatives to discuss how the agency's actions are harming shrimpers.

However, even after hearing first-hand testimony from industry representatives and representatives of communities whose economies rely on a thriving shrimping industry, the agency refuses to refrain from placing regulatory encumbrances upon the domestic shrimping industry. Therefore it is up to Congress to protect this industry from overzealous regulators. The Shrimp Importation Financing Fairness Act provides this protection by placing an indefinite moratorium on all future restrictive regulations on the shrimping industry.

Seven foreign countries (Thailand, Vietnam, India, China, Ecuador, Indonesia, and Brazil) have taken advantage of the domestic shrimping industry's government-created vulnerabilities. These countries have each exported in excess of 20,000,000 pounds of shrimp to the United States in the first 6 months of this year. These seven countries account for nearly 70 percent of all shrimp consumed in the United States in the first six months of this year and nearly 80 percent of all shrimp imported to this country in the same period!

Adding insult to injury the federal government is forcing American shrimpers to subsidize their competitors! In the last three years, the United States Government has provided more than \$1,800,000,000 in financing and insurance for these foreign countries through the Overseas Private Investment Corporation (OPIC). Furthermore, the U.S. current exposure relative to these countries through the Export-Import Bank totals some \$14,800,000,000. Thus, the United States taxpayer is providing a total subsidy of \$16,500,000,000 to the home countries of the leading foreign competitors of American shrimpers! Of course, the American taxpayer could be forced to shovel more money to these countries through the International Monetary Fund (IMF).

Many of the countries in question do not have free-market economics. Thus, the participation of these countries in United States-supported international financial regimes amounts to a direct subsidy by American shrimpers to their international competitors. In any case, providing aid to any of these countries indirectly grants benefits to foreign shrimpers because of the fungibility of money.

In order to ensure that American shrimpers are not forced to subsidize their competitors, the Shrimp Importation Financing Fairness Act ends all Export-Import and OPIC subsidies to the seven countries who imported more than 20 million pounds of shrimp in the first six months of 2002. The bill also reduces America's contribution to the IMF by America's pro rata share of any IMF aid provided to one of those seven countries.

Mr. Speaker, it is time for Congress to rein in regulation-happy bureaucrats and stop subsidizing the domestic shrimping industries' leading competitors. Otherwise, the government-manufactured depression in the price of shrimp will decimate the domestic shrimping industry and the communities whose economies depend on this industry. I, therefore, hope all my colleagues will stand up for shrimpers by cosponsoring the Shrimp Importation Financing Fairness Act.